



# PSC NEWS

## Missouri Public Service Commission

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### **PSC ACTS TO PROTECT CASS COUNTY AND NEW FLORENCE TELEPHONE SERVICE**

***Matzdorff's guilty pleas create questions about the ownership  
and operation of two small, rural telephone companies.***

Jefferson City (January 11, 2005)---The Missouri Public Service Commission is making every attempt to protect the telephone ratepayers of Cass County Telephone Company, LLP and New Florence Telephone Company, Inc. in light of a prominent telephone executive pleading guilty to federal charges.

"It is very important that we take whatever actions necessary to protect these telephone customers in order that they continue to receive quality service at just and reasonable rates," stated PSC Chairman Jeff Davis. "This could include placing someone on-site to monitor the day-to-day operations of both phone companies," added Davis.

Last Friday, Cass County Telephone Company executive Kenneth Matzdorff pleaded guilty in federal court in New York to one count of conspiracy to commit wire fraud and one count of conspiracy to money laundering in connection with what federal authorities believe involved a nationwide phone and Internet scheme that federal prosecutors have alleged is linked to organized crime. Matzdorff is a part owner of Cass County Telephone, LLP and one-third owner of Tiger Telephone, Inc. which owns 100% of New Florence Telephone, Inc.

The Commission first asked its staff to monitor the issues associated with the federal investigation in July 2004 and a preliminary report will be delivered to the Commission by the end of this month. Matzdorff's guilty pleas prompted the Commission to take additional actions prior to the issuance of the report.

The Commission has directed the PSC Staff to:

- \* ensure that telephone customers of the Cass County Telephone Company and New Florence Telephone continue to receive safe and reliable telephone service and that they are not over-charged for that service;

- \* conduct an independent review of the Companies' use of Federal Universal Service Funds;

- \* determine whether or not Mr. Matzdorff gave false testimony before the Commission during a rate case hearing held before the Commission in April.